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**ST. MARTIN PARISH SHERIFF  
(AS EX-OFFICIO PARISH TAX COLLECTOR)  
St. Martinville, Louisiana**

**Financial Report**

**Year Ended June 30, 1999**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 1-26-00 .

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# KOLDER, CHAMPAGNE, SLAVEN & RAINEY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA  
Russell F. Champagne, CPA  
Victor Slaven, CPA  
Chris Rainey, CPA  
Conrad O. Chapman, CPA  
P. Troy Courville, CPA

P. O. BOX 250  
113 E. BRIDGE ST.  
BREAUX BRIDGE, LA 70517  
PHONE (337) 332-4020  
FAX (337) 332-2867

WEB SITE:  
WWW.KSRCPAS.COM

MEMBER OF  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

SOCIETY OF LOUISIANA  
CERTIFIED PUBLIC ACCOUNTANTS

Allen J. LaBry, CPA  
Penny Angella Scruggins, CPA  
Mary T. Thibodeaux, CPA  
Gerald A. Thibodeaux, Jr., CPA  
Kelly M. Doucat, CPA  
Kenneth J. Rachel, CPA

## INDEPENDENT AUDITORS' REPORT

The Honorable Charles A. Fuselier  
St. Martin Parish Sheriff as  
Ex-Officio Parish Tax Collector  
St. Martinville, Louisiana

We have audited the accompanying statement of assets and liabilities of the Tax Collector Fund (agency fund) of the St. Martin Parish Sheriff as of June 30, 1999, and the related statement of collections, distributions and unsettled balances for the year then ended, as listed in the table of contents. These financial statements are the responsibility of the St. Martin Parish Sheriff as Ex-Officio Parish Tax Collector. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the accompanying statements present information only on the Tax Collector Fund (agency fund). Further, the accompanying statements have been prepared on the cash basis of accounting which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets and liabilities and the collections, distributions and unsettled balances of the Tax Collector Fund of the St. Martin Parish Sheriff, as of and for the year ended June 30, 1999, on the basis of accounting described in Note 1.

234 Rue Beauregard  
Lafayette, Louisiana 70508  
Phone (337) 232-4141  
Fax (337) 232-8660

133 East Waddil  
Marksville, LA 71351  
Phone (318) 253-9252  
Fax (318) 253-8681

1234 David Drive, Suite 105  
Morgan City, LA 70380  
Phone (504) 384-2020  
Fax (504) 384-3020

408 W. Colton Street  
Ville Platte, LA 70586  
Phone (337) 363-2792  
Fax (337) 363-3049

332 W. Sixth Avenue  
Oberlin, LA 70655  
Phone (337) 639-4737  
Fax (337) 639-4568

200 South Main Street  
Abeville, LA 70511  
Phone (337) 893-7944  
Fax (337) 893-7946

Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The year 2000 supplemental information on page 9 is not a required part of the basic financial statements but is supplemental information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplemental information. However, we did not audit the information and do not express an opinion on it. In addition, we do not provide assurance that the St. Martin Parish Sheriff is or will become year 2000 compliant, that the Sheriff's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the Sheriff does business are or will become year 2000 compliant.

In accordance with Government Auditing Standards, we have also issued a report dated October 22, 1999 on our consideration of the St. Martin Parish Sheriff's internal control over financial reporting and our tests of its compliance with certain provisions of laws and regulations.

***Kolder, Champagne, Slaven & Rainey, LLC***

Certified Public Accountants

Breaux Bridge, Louisiana  
October 22, 1999

**FINANCIAL STATEMENTS**

ST. MARTIN PARISH SHERIFF  
St. Martinville, Louisiana  
Tax Collector Agency Fund

Statement of Assets and Liabilities  
June 30, 1999

ASSETS

Cash and interest-bearing deposits

\$ 498,163

LIABILITIES

Due to taxing bodies and others

\$ 498,163

The accompanying notes are an integral part of this statement.

ST. MARTIN PARISH SHERIFF  
 St. Martinville, Louisiana  
 Tax Collector Agency Fund

*Statement of Collections, Distributions, and Unsettled Balances*  
 Year Ended June 30, 1999

Unsettled balances at July 1, 1998	\$ 307,361
Collections:	
Ad valorem taxes	11,140,519
State revenue sharing	998,011
Sporting licenses	152,714
Parish licenses	283,016
Interest	41,887
Refunds and redemptions	25,979
Tax notices, costs, etc.	2,311
Total collections	12,644,437
Distributions:	
Louisiana Department of Wildlife and Fisheries	128,607
Louisiana Department of Agriculture and Forestry	19,033
Louisiana Tax commission	2,659
Atchafalaya Basin Levee District	168,220
Teche-Vermilion Freshwater District	98,247
St. Martin Parish:	
Police Jury	4,374,209
School Board	3,651,315
Assessor	389,631
Hospital service districts	367,975
Waterworks District No. 2	104,438
Sewerage District No. 1	231,920
Sheriff	1,768,783
Municipalities	58,963
Public Library	754,163
Clerk of Court	15,443
Pension Funds	319,729
Refunds, etc.	300
Total distributions	12,453,635
Unsettled balances at June 30, 1999	\$ 498,163

The accompanying notes are an integral part of this statement.

ST. MARTIN PARISH SHERIFF  
St. Martinville, Louisiana

Notes to Financial Statements

(1) Summary of Significant Accounting Policies

As provided by Article V, Section 27 of the Louisiana Constitution of 1974, the sheriff is the ex-officio tax collector of the parish and is responsible for the collection and distribution of ad valorem property taxes, parish occupational licenses, state revenue sharing funds, and sporting licenses.

Louisiana Revised Statute 24:517(D) requires that the accounts of each tax collector be audited annually. Accordingly, the accompanying statement reflects financial activity of the Sheriff relating only to his responsibility as ex-officio tax collector. Amounts included in this report are also included in the Sheriff's general purpose financial statements.

The accounts of the tax collector are established to reflect the collections imposed by law, distributions pursuant to such law, and unsettled balances due various taxing bodies and others. The accompanying financial statements have been prepared on the cash basis of accounting, with collections recognized when received and distributions reflected when paid.

(2) Interest-Bearing Deposits

State law authorizes the Sheriff to deposit tax collections in a bank domiciled in the parish where the funds are collected. At June 30, 1999, the Sheriff has interest-bearing deposits (book balances) totaling \$498,163, representing unsettled tax collections. Deposit balances (bank balances) at June 30, 1999 of \$462,576 are fully secured through federal deposit insurance.

(3) State Revenue Sharing Funds

The revenue sharing funds provided by Act 63 of 1998 were distributed as follows:

Atchafalaya Basin Levee District	\$ 33,615
Teche-Vermilion Freshwater District	12,349
St. Martin Parish:	
Police Jury	378,497
School Board	265,405
Sheriff	106,489
Public Library	63,590
Assessor	66,910
Municipalities	58,963
Pension Funds	<u>12,193</u>
Total	<u>\$998,011</u>

ST. MARTIN PARISH SHERIFF  
St. Martinville, Louisiana

Notes to Financial Statements (Continued)

(4) Unsettled Balances

The unsettled cash balance at June 30, 1999 of \$498,163 consists of \$395,418 in ad valorem taxes, \$16,203 in sporting licenses, \$17,958 in parish licenses, \$55,929 in interest, and \$12,655 in other collections.

SUPPLEMENTAL INFORMATION

ST. MARTIN PARISH SHERIFF  
St. Martinville, Louisiana  
Tax Collector Agency

Year 2000 Issue (unaudited)  
Year Ended June 30, 1999

The Year 2000 issue is the result of computer programs being written using two digits rather than four to define the applicable year. Any of the Sheriff's computer programs that have time sensitive software may recognize a date using "00" as the year 1900 rather than the year 2000. This could result in a system failure or miscalculations causing disruptions of operations, including among other things, a temporary inability to process transactions or engage in similar normal business activities.

The Sheriff has completed an inventory of computer systems and other electronic equipment that may be affected by the year 2000 issue and that are necessary to conducting Sheriff operations and have identified such systems as being financial reporting, payroll and tax collection.

- The tax collection system has been assessed, remediated, and tested and validated.
- The financial reporting and payroll systems have been assessed and are currently being remediated. Testing and validation will have to occur prior to the systems being used for financial reporting and payroll processing.

Remaining contracted amounts of \$129,380 are committed (but not yet incurred) to this project as of June 30, 1999.

Because of the unprecedented nature of the Year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the Sheriff is or will be Year 2000 ready, that the Sheriff's remediation efforts will be successful in whole or in part, or that parties with whom the Sheriff does business will be year 2000 ready. The Sheriff is utilizing external resources to identify and test the systems for Year 2000 compliance.

INTERNAL CONTROL AND COMPLIANCE

# KOLDER, CHAMPAGNE, SLAVEN & RAINEY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA  
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P. Troy Courville, CPA

P. O. BOX 250  
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BREAUX BRIDGE, LA 70517  
PHONE (337) 332-4020  
FAX (337) 332-2867

WEB SITE:  
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Kelly M. Doucet, CPA  
Kenneth J. Rachel, CPA

MEMBER OF:  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

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## REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Honorable Charles A. Fuselier  
St. Martin Parish Sheriff as  
Ex-Officio Tax Collector  
St. Martinville, Louisiana

We have audited the Tax Collector Fund (agency fund) financial statements of the St. Martin Parish Sheriff as of and for the year ended June 30, 1999, and have issued our report thereon dated October 22, 1999. Our report states that the statement of assets and liabilities and the statement of collections, distributions, and unsettled balances have been prepared on the cash basis of accounting which is a comprehensive basis of accounting other than generally accepted accounting principles.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

### Compliance

As part of obtaining reasonable assurance about whether the St. Martin Parish Sheriff's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards. However, we noted a certain immaterial instance of noncompliance that we have reported to the management of St. Martin Parish Sheriff in a separate letter dated October 22, 1999.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the St. Martin Parish Sheriff's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However,

we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the St. Martin Parish Sheriff's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable condition noted is in the accompanying schedule of prior and current audit findings and management's corrective action plan as item 99-1.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. We believe the reportable condition identified as item 99-1 in the schedule of prior and current audit findings and management's corrective action plan is a material weakness.

This report is intended solely for the information and use of management and is not intended to be and should not be used by anyone other than these specified parties.

***Kolder, Champagne, Slaven & Rainey, LLC***

Certified Public Accountants

Breaux Bridge, Louisiana  
October 22, 1999

ST. MARTIN PARISH SHERIFF  
St. Martinville, Louisiana

Schedule of Prior and Current Audit Findings and  
Management's Corrective Action Plan

Year Ended June 30, 1999

I. Prior Year Findings

Compliance

Item 98-1 - Noncompliance with Louisiana Fiscal Agency and Cash Management Laws

Finding:

The St. Martin Parish Sheriff did not comply with Louisiana Revised Statutes (LSA-R.S.) 39:1225. This statute states that the amount of funds on deposit with financial institutions must, at all times, be one hundred percent secured. The Sheriff had inadequate security at one financial institution at December 31, 1997 in the approximate amount of \$2,700,000.

Status:

Partially resolved. See item 99-2.

Internal Control Over Financial Reporting

Item 98-2 - Inadequate Segregation of Accounting Functions

Finding:

Due to the small number of employees, the Sheriff did not have adequate segregation of functions within the accounting system.

Status:

Unresolved. See item 99-1.

Management Letter Item

There were no management letter items for the Tax Collector Fund at June 30, 1998.

(continued)

ST. MARTIN PARISH SHERIFF  
St. Martinville, Louisiana

Schedule of Prior and Current Audit Findings and  
Management's Corrective Action Plan (continued)

Year Ended June 30, 1999

II. Current Year Findings and Management's Corrective Action Plan

Compliance

There were no items required to be reported under this section at June 30, 1999.

Internal Control Over Financial Reporting

Item 99-1 - Inadequate Segregation of Accounting Functions

Finding:

Due to the small number of employees, the Sheriff did not have adequate segregation of functions within the accounting system.

Management's Corrective Action Plan:

Management has determined that it is not cost effective to achieve complete segregation of duties within the accounting department. No plan is considered necessary.

Management Letter Items

Item 99-2 - Noncompliance with Louisiana Fiscal Agency and Cash Management Laws

Finding:

The St. Martin Parish Sheriff did not comply with Louisiana Revised Statutes (LSA-R.S.) 39:1225. This statute states that the amount of funds on deposit with financial institutions must, at all times, be one hundred percent secured. The Sheriff had inadequate security at one financial institution at December 31, 1998. Because this was an immaterial instance of noncompliance, it is only mentioned in the management letter.

Management's Corrective Action Plan:

The St. Martin Parish Sheriff closely monitored securities pledged during the year. The Sheriff was undersecured at December 31, 1998 due to an error by the financial institution responsible for pledging the securities. Therefore, there is no corrective action to be taken by the St. Martin Parish Sheriff.

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P. O. BOX 250  
113 E. BRIDGE ST.  
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CERTIFIED PUBLIC ACCOUNTANTS  
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CERTIFIED PUBLIC ACCOUNTANTS

## MANAGEMENT LETTER

The Honorable Charles A. Fuselier  
St. Martin Parish Sheriff  
St. Martinville, Louisiana

During our audit of the financial statements of the St. Martin Parish Sheriff as of and for the year ended June 30, 1999 we noted a certain area in which improvement in your financial practices may be desirable. Therefore, the following improvement is recommended:

Securities pledged should be more closely monitored to prevent undersecuring. However, we have noted significant improvement over prior years.

We would like to express our appreciation to you and your office staff for the courtesies and assistance rendered to us in the performance of our audit. Should you have any questions or need assistance in implementing our recommendation please feel free to contact us.

*Kolder, Champagne, Slaven & Rainey, LLC*  
Certified Public Accountants

Breaux Bridge, Louisiana  
October 22, 1999

234 Rue Beauregard  
Lafayette, Louisiana 70508  
Phone (337) 232-4141  
Fax (337) 232-8660

133 East Waddil  
Marksville, LA 71351  
Phone (318) 253-9252  
Fax (318) 253-8681

1234 David Drive, Suite 105  
Morgan City, LA 70380  
Phone (504) 384-2020  
Fax (504) 384-3020

408 W. Cotton Street  
Ville Platte, LA 70586  
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Fax (337) 363-3049

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Abeville, LA 70511  
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Fax (337) 893-7946